HOMEFIELD INTERNATIONAL PVT LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

CONTENTS **PAGES**

MANAGEMENT AND ADMINISTRATION	2
ANNUAL REPORT	3
CERTIFICATE FROM THE SECRETARY	4
INDEPENDENT AUDITOR'S REPORT	5
STATEMENT OF COMPREHENSIVE INCOME	6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 26

HOMEFIELD INTERNATIONAL PVT LTD
MANAGEMENT AND ADMINISTRATION

		Date of appointment
DIRECTORS:	Dev Joory	10 May 2005
	Couldip Basanta Lala	19 May 2005
	Rubina Toorawa	19 May 2005
	Prashant Kumar Ghose	30 May 2005
	Ramakrishnan Mukundan	17 February 2009

SECRETARY: International Financial Services Limited
IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

REGISTERED OFFICE: IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

AUDITORS: Deloitte
7th Floor, Raffles Tower
19 Cybercity
Ebene
Mauritius

BANKER: HSBC Bank (Mauritius) Limited
HSBC Centre
18 Cybercity
Ebene
Mauritius

HOMEFIELD INTERNATIONAL PVT LTD
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2011

The directors have the pleasure in submitting the Annual Report of HOMEFIELD INTERNATIONAL PVT LTD together with the audited financial statements for the year ended 31 March 2011.

The shareholder agrees that the Annual Report need not comply with the paragraphs (a), and (d) to (i) of section 221 (1) of the Mauritius Companies Act 2001.

Approved by the Board of Directors on **18 May 2011** and signed on its behalf by:

)
)
) Directors
)
)

CERTIFICATE FROM THE SECRETARY

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of HOMEFIELD INTERNATIONAL PVT LTD under the Mauritius Companies Act 2001, during the year ended 31 March 2011.

International Financial Services Limited
Secretary

IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

Date: 18 May 2011

Deloitte.

7th floor, Raffles Tower
19 Cybercity
Ebène
Mauritius

Independent auditor's report to the shareholder of Homefield International PVT Limited

This report is made solely to the company's shareholder, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of **Homefield International Pvt Limited** on pages 6 to 26 which comprise the statement of financial position as at 31 March 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Non-compliance with International Accounting Standards (IAS) 27 - Consolidated and Separate Financial Statements and IAS 21 - The Effects of Changes in Foreign Exchange Rates

IAS 27 requires the company that holds investments in subsidiaries to present consolidated financial statements unless it meets all the exemption requirements of IAS 27. As explained in note 19, consolidated financial statements have not been prepared in accordance with the requirements of IAS 27.

IAS 21 requires that exchange differences arising on monetary items are recognised in the income statement in the period in which they arise. As explained in note 19, the exchange differences arising on loan receivable from subsidiary have been recognised in equity which is not in accordance with the requirement of IAS 21. Accordingly, the profit for the year should be decreased by the loss on exchange of USD 1,198,444.

Opinion

In our opinion, because of the effects of the matters discussed in the preceding paragraph on non-compliance with International Financial Reporting Standards, the financial statements on pages 6 to 26 do not give a true and fair view of the financial position of the **Homefield International Pvt Limited** as at 31 March 2011, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the company other than in our capacity as auditors;
- in our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records.
- we have not obtained all information and explanations that we have required in so far as explained in the paragraph on non-compliance with IFRS; and
- except for the non-compliance with IAS 27 and IAS 21, the financial statements of the company comply with the Mauritius Companies Act 2001.

Kemp Chatteris Deloitte

Chartered Accountants

18 MAY 2011

HOMEFIELD INTERNATIONAL PVT LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 USD	2010 USD
INCOME			
Interest income	15	**3,837,848**	3,484,432
EXPENSES			
Registrar of Companies fee		**250**	-
Directors' fee		**4,313**	4,313
Secretarial fee		**1,725**	1,725
Bank charges		**1,965**	493
Audit fees		**5,750**	5,750
Administration expenses		**61,167**	15,250
Disbursements		**258**	455
Loss on exchange		**4,080**	-
Arrangement fee written off		**1,000**	-
Corporate Social Responsibility Fund	14	**76,800**	
		157,308	27,986
PROFIT BEFORE TAX		**3,680,540**	3,456,446
TAXATION	13	**(564,363)**	(518,467)
PROFIT FOR THE YEAR		**3,116,177**	2,937,979
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Foreign exchange differences		**1,198,444**	901,998
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,314,621**	3,839,977

The accounting policies on pages 10 to 13 and the notes on pages 14 to 26 form an integral part of these financial statements

HOMEFIELD INTERNATIONAL PVT LTD
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

ASSETS	Notes	**2011 USD**	2010 USD
Non-current assets			
Investment in subsidiary	5	**91,760,133**	91,760,133
Loan to subsidiary undertaking	6	**45,557,263**	24,671,621
		137,317,396	116,431,754
Current assets			
Loan to related party	7	**15,524,606**	54,151,699
Loan to subsidiary undertaking	6	**37,568,819**	18,127,493
Cash at bank		**161,343**	32,817
Other receivables and prepayments	8	**669,790**	205,754
		53,924,558	72,517,763
Total assets		**191,241,954**	188,949,517
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	9	**90,015,905**	90,015,905
Retained earnings		**26,286,672**	23,170,495
Translation reserve		**(3,443,191)**	(4,641,635)
Shareholder's equity		**112,859,386**	108,544,765
Non current liability			
Redeemable preference shares	11	**77,985,000**	80,355,000
Preference share application monies	12	**200,000**	-
		78,185,000	80,355,000
Current liabilities			
Payables	10	**119,889**	8,832
Taxation	13	**77,679**	40,920
		197,568	49,752
Total equity and liabilities		**191,241,954**	188,949,517

Approved by the Board of Directors and authorised for issue on **18 May 2011**.

Director **Director**

The accounting policies on pages 10 to 13 and the notes on pages 14 to 26 form an integral part of these financial statements

HOMEFIELD INTERNATIONAL PVT LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2011

	Stated capital USD	Retained earnings USD	Translation reserve USD	Total USD
At 1 April 2009	90,015,905	20,232,516	(5,543,633)	104,704,788
Profit for the year	-	2,937,979	-	2,937,979
Other comprehensive income	-	-	901,998	901,998
At 31 March 2010	90,015,905	23,170,495	(4,641,635)	108,544,765
Profit for the year	-	**3,116,177**	-	**3,116,177**
Other comprehensive income			**1,198,444**	**1,198,444**
At 31 March 2011	**90,015,905**	**26,286,672**	**(3,443,191)**	**112,859,386**

The accounting policies on pages 10 to 13 and the notes on pages 14 to 26 form an integral part of these financial statements

HOMEFIELD INTERNATIONAL PVT LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2011

	2011 USD	2010 USD
Cash flows from operating activities		
Profit before tax	**3,680,540**	3,456,446
Adjustments for:		
Interest income	**(3,837,848)**	(3,484,432)
Arrangement fee written off	**1,000**	
Operating loss before working capital changes	**(156,308)**	(27,986)
Decrease / (increase) in other receivables and prepayments	**63**	(250)
Increase in other payables	**111,057**	1,082
Cash flows used in operating activities	**(45,188)**	(27,154)
Tax paid	**(216,286)**	(477,547)
Net cash used in operating activities	**(261,474)**	(504,701)
Cash flows from investing activities		
Loan granted	**(37,440,000)**	(7,803,000)
Loan repaid by related party	**40,000,000**	-
Interest received	**-**	2,237,768
Net cash generated from / (used in) investing activities	**2,560,000**	(5,565,232)
Cash flows from financing activities		
Redemption of redeemable preference shares	**(40,000,000)**	-
Issue of redeemable preference shares	**37,630,000**	6,102,000
Preference share application monies	**200,000**	-
Net cash (used in) / generated from financing activities	**(2,170,000)**	6,102,000
Net cash movement during the year	**128,526**	32,067
Cash and cash equivalents at start of year	**32,817**	750
Net cash movement during the year	**128,526**	32,067
Cash and cash equivalents at end of year	**161,343**	32,817
Represented by:		
Cash at bank	**161,343**	32,817

The accounting policies on pages 10 to 13 and the notes on pages 14 to 26 form an integral part of these financial statements.

HOMEFIELD INTERNATIONAL PVT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

1. GENERAL

The Company was incorporated in Mauritius under the Companies Act 2001 on 10 May 2005 as a domestic private company limited by shares and its registered office is at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

The principal activity of the Company is to hold investments.

The financial statements of the Company are expressed in United States Dollars ("USD"). The Company's functional currency is the USD, the currency of the primary economic environment in which the Company operates.

2. ACCOUNTING POLICIES

The financial statements represent the separate financial statements of the Company as defined under International Accounting Standard 27 ("IAS 27") – Consolidated and Separate Financial Statements. A summary of the more important accounting policies, which have been applied consistently, is set out below:-

(i) *Basis of preparation*

The financial statements are prepared under the historical cost convention, except for the revaluation of the loan to subsidiary which is denominated in GBP.

Except for non-compliance with IAS 27 – Consolidated and Separate Financial Statements and IAS 21 – The Effects of Changes in Foreign Exchange Rates, the financial statements represent the financial statements of the Company prepared in accordance with International Financial Reporting Standards ("IFRS"). The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

(ii) *Other income*

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2. ACCOUNTING POLICIES (CONTINUED)

(iii) *Expense recognition*

All expenses are accounted for in the statement of comprehensive income on the accruals basis.

(iv) *Foreign currency translation*

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in United States Dollars ("USD"), which is the Company's functional and presentational currency.

Transactions and balances

Transactions denominated in foreign currencies are translated in USD at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at the reporting date. Exchange differences arising on translation are recognised in equity whereas realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the statement of comprehensive income.

The mid-closing USD/MUR rate as provided by the Bank of Mauritius at 31 March 2011 was MUR28.0761 (2010: MUR30.037).

(v) *Financial instruments*

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the company has become a party to the contractual provisions of the instruments.

Financial instruments carried on the statement of financial position include cash at bank, other receivables and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

2. ACCOUNTING POLICIES (CONTINUED)

(v) *Financial instruments (continued)*

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Loans and receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(vi) *Investment in subsidiary*

Subsidiaries are those entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

Assets are reviewed for impairment wherever events or changes in circumstances indicate that the recoverable amount of assets is below the carrying amount. In case that the carrying value of an asset exceeds its recoverable amount the Company recognises the impairment losses in the statement of comprehensive income.

The Company does not prepare consolidated financial statements and in accordance with International Accounting Standard (IAS) 27 has elected to report its investments at cost.

(vii) *Share capital*

Share capital is determined using the no par value of shares that have been issued.

(viii) *Impairment of assets*

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

2. ACCOUNTING POLICIES (CONTINUED)

(ix) *Cash and cash equivalents*

Cash includes balances and demand deposits with banks. Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

(x) *Payables*

Payables are stated at amortised cost.

(xi) *Deferred taxation*

Deferred tax is provided, using the liability method, on all temporary differences arising between the tax bases and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(xii) *Income tax*

Income taxes currently payable are provided for in accordance with the existing tax rates and tax laws that are enacted or substantially enacted by the reporting date.

(xii) *Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(xiii) *Related parties*

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other or exercise significant influence over the other party in making financial and operating decisions.

(xvi) *Comparatives*

Where necessary, comparative figures have been regrouped or restated to conform to the current year's presentation.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2010.

3.1 New and revised IFRS and IFRIC applied with no material effect on the financial statements

The following relevant new and revised Standards and Interpretations have been applied in these financial statements. Their application has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

IAS 1	Presentation of Financial Statements – Amendments resulting from April 2009 Annual Improvements to IFRSs
IAS 7	Statement of Cash Flows – Amendments resulting from April 2009 Annual Improvements to IFRSs
IAS 27	Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3
IAS 32	Financial Instruments: Presentation – Amendments relating to classifications of rights issues.
IAS 36	Impairment of Assets – Amendments resulting from April 2009 Annual Improvements to IFRSs
IAS 39	Financial Instruments: Recognition and Measurement – Amendments resulting from April 2009 Annual Improvements to IFRSs.
IAS 39	Financial Instruments: Recognition and Measurement – Amendments for eligible hedges items

3.2 New and revised IFRSs and IFRICs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant IFRS and IFRICs were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 1 January 2011)
IAS 12	Income Taxes – Limited scope amendment (recovery of underlying assets) (effective 1 January 2012)
IAS 24	Related Party Disclosures – Revised definition of related parties (effective 1 January 2011)
IAS 27	Consolidated and Separate Financial Statements – Amendments resulting from May 2010 Annual Improvements to IFRSs (effective 1 July 2010)
IFRS 7	Financial Instruments: Disclosures – Amendments resulting from May 2010 Annual Improvements to IRFSs (effective 1 January 2011)
IFRS 7	Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets (effective 1 July 2011)
IFRS 9	Financial Instruments – Classification and measurement (effective 1 January 2013)

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

The directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet an opportunity to consider the potential impact of the application of these amendments.

4. ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements, in accordance with IFRS, requires the Directors and management to exercise judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgment that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollar.

Impairment of assets

In determining when an investment is other-than-temporarily impaired, significant judgment is required. In making this judgment, the Company evaluates among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and such operational and financing cash flow.

5. INVESTMENT IN SUBSIDIARY

Long term investment comprises of investment in the equity share capital of Homefield Pvt UK Ltd, an investment holding company incorporated in UK.

	% Holding	**Cost 2011 USD**	Cost 2010 USD
Homefield Pvt UK Ltd	100	**91,760,133**	91,760,133

The investment is valued at cost, unless a diminution that is other than temporary is identified to the carrying value of the investment. The Company has also indirect holding in wholly owned subsidiaries and joint ventures as follows:

Name of sub - subsidiary	Activity	Place of incorporation
Brunner Mond Group Limited	Intermediate holding company	United Kingdom
Brunner Mond Limited	Intermediate holding company	United Kingdom
Brunner Mond (UK) Limited	Manufactures and sells soda ash	United Kingdom
Brunner Mond Generation Company Limited	Non-trading	United Kingdom
Northwich Resource Management Limited	Holding company for land used by the group	United Kingdom
Brunner Mond BV	Manufactures and sells soda ash	Netherlands
Tata Chemicals Africa Holding Limited (formerly known Transcontinental Holdings Limited)	Intermediate holding company for African businesses	United Kingdom
The Magadi Soda Company Limited	Manufactures and sells soda ash and other alkaline chemicals	United Kingdom
Brunner Mond (South Africa) Pty Limited	Imports and sells soda ash and other alkaline chemicals into South Africa	South Africa
Magadi Railway Company Limited	Non-trading	Kenya
Homefield 2 UK Limited	Intermediate holding company	United Kingdom
Tata Chemicals (Europe) Holding Limited	Intermediate holding company	United Kingdom
Cheshire Salt Holdings Limited	Manufacture & sale of salt product	United Kingdom
New Cheshire Salt Works Limited	Manufacture & sale of salt product	United Kingdom
British Salt Limited	Manufacture & sale of salt product	United Kingdom

5. INVESTMENT IN SUBSIDIARY (CONTINUED)

Name of sub - subsidiary	Activity	Place of incorporation
Cheshire Salt Limited	Intermediate holding company	United Kingdom
Brinefield Storage Limited	Non-trading	United Kingdom
Broomco (4118) Limited	Non-trading	United Kingdom
Broomco (4119) Limited	Non-trading	United Kingdom
Broomco (4120) Limited	Non-trading	United Kingdom
Cheshire Cavity Storage 2 Limited	Planning right for the gas storage opportunity	United Kingdom
Cheshire Compressor Limited	Construction of gas compressor	United Kingdom
Irish Feeds Limited	Manufacture and sale of salt product	United Kingdom

Name of joint ventures	Activity	Place of incorporation
Kemex B.V.	Manufacture of calcium chloride	Netherlands
The Block Salt Company Limited	Manufacture and sale of salt product	United Kingdom

6. LOAN TO SUBSIDIARY UNDERTAKING

Since inception, the Company has granted various loans denominated in USD ("USD loans") and GBP ("GBP loans") to its subsidiary, Homefield Pvt UK Ltd ("Borrower"), collectively referred as "Loans". In that respect, the Company has entered into various loan agreements with the Borrower with similar terms and conditions.

The Loans are unsecured, repayable at such time as agreed by the parties and carry interest at the rate of LIBOR plus 2.25% (2010: LIBOR + 2.25%). The interest period for the GBP and USD Loans are 6 months and 3 months respectively. Interest on both loans is payable on the last day of each interest period, if for any reasons, accrued interest is not paid by the Borrower at the end of the interest period, that interest will be capitalised and added to the Loans. The interests on the Loan were calculated on basis 360 days a year.

The loan and all unpaid interest accrued under the loan agreements dated 8 March 2010, 18 October 2010 and 25 January 2011 will be repaid in full by the Borrower either (i) the date falling on the expiry of thirty six months from the date of the agreements, or, if the parties agree, on any date falling before the Final Repayment Date; or on an agreed future date, or (ii) if earlier, the date upon which an insolvency type event (as determined by the Lender) occurs in relation to the Borrower.

As of 31 March 2011, the loan including the interest capitalised under the loan agreements dated 28 November 2005, 6 January 2006, 27 May 2008 and 12 March 2009 have been classified as current assets since the extended repayment terms are still being negotiated between the Company and the Borrower.

6. LOAN TO SUBSIDIARY UNDERTAKING (CONTINUED)

The loan agreements also consist of a lender fee of USD1,000 which is in consideration of the provision provided by the Company to the Borrower and on demand by the Company. The lender fee of USD1,000 provided in the previous year was written off during the year under review.

	2011	2010
	USD	USD
Loan amount	**61,689,777**	23,063,637
Interest capitalized	**21,436,305**	19,735,477
	83,126,082	42,799,114
Disclosed as follows:		
Current	**37,568,819**	18,127,493
Non current	**45,557,263**	24,671,621
	83,126,082	42,799,114

The Company has given an additional loan of USD400,000 on 25 March 2011 to its subsidiary. The terms and conditions of the loan agreement for the USD400,000 were still not finalised as at 31 March 2011 and was classified as current assets.

7. LOAN TO RELATED COMPANY

The loan to The Magadi Soda Company Limited ("Magadi"), which is an indirectly owned subsidiary, is unsecured and carries interest at the rate of LIBOR plus 3.5% calculated on the basis of 360 days a year.

During the year ended 31 March 2011, the loan repayment date facility of USD52,500,000 and the accrued interest of USD1,651,699 as on 31 March 2010 was extended up to 30 June 2012.

During the year under review, USD40 million was repaid by Magadi to the Company and was offset against the principal amount.

	2011	2010
	USD	USD
Loan amount	**52,500,000**	52,500,000
Interest capitalised	**3,024,606**	1,651,699
Loan repaid	**(40,000,000)**	-
	15,524,606	54,151,699

The remaining amount of the loan to related company is expected to be repaid within one year, thus it was classified as current assets.

The interest capitalised is net of withholding tax suffered.

8. OTHER RECEIVABLES AND PREPAYMENTS

	2011	2010
	USD	USD
Interest receivable on loan from Homefield Pvt UK Ltd	**276,249**	202,420
Interest receivable on loan from Magadi Soda Company Limited	**391,227**	-
Interest receivable on fixed deposit	**43**	
Arrangement fee	-	1,000
Prepayments	**2,271**	2,334
	669,790	205,754

9. STATED CAPITAL

	2011	2010
	USD	USD
90,016,001 (2010: 90,016,001) Ordinary shares of no par value	**90,015,905**	90,015,905

Fully paid ordinary shares carry one vote per share and the right to dividends.

10. PAYABLES

	2011	2010
	USD	USD
Accruals	**43,089**	8,832
Corporate Social Responsibility Fund	**76,800**	-
	119,889	8,832

11. REDEEMABLE PREFERENCE SHARES

The 779,850 preference shares (2010: 803,550) at par value of USD100 are non cumulative, redeemable at the option of the lender and carry a dividend rate of 5%. Distribution is received prior the ordinary shareholders on winding up. They will not have any voting rights in the General Meeting of the Company except for vote on matters affecting their rights.

12. PREFERENCE SHARE APPLICATION MONIES

During the year under review, the Company has received USD200,000 from its shareholder towards redeemable preference shares. However, as at 31 March 2011, no redeemable preference shares were issued.

13. TAXATION

Income tax

The Company is subject to income tax in Mauritius on its net income at 15%. At 31 March 2011, the Company had a tax liability of **USD77,673** (31 March 2010: USD40,920).

	2011 USD	2010 USD
Profit before tax	**3,680,540**	3,456,446
Tax at the applicable rate of 15%	**552,081**	518,467
Tax effect on non allowable deductions	**12,282**	-
	564,363	518,467
Withholding tax suffered	**311,318**	335,674
Mauritius tax expense	**253,045**	182,643
Total tax expense	**564,363**	518,467
Less payment made during the year under Mauritian Advance Payment system	**(175,366)**	(141,873)
Less withholding tax paid	**(311,318)**	(335,674)
Tax liability	77,679	40,920

Withholding tax amounting to USD311,318 for the year under review was paid directly by Magadi Soda Company Limited on behalf of the Company.

Deferred tax

There is no deferred tax since there were no temporary differences at 31 March 2011.

14. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Under the Mauritius Income Tax Act 1995, every company shall, in every year, set up a Corporate Social Responsibility Fund equivalent to 2 per cent of its book profit (profit after income tax computed under IFRS) derived during the preceding year to:

(a) implement an approved programme;
(b) implement an approved programme under the National Empowerment Foundation; and
(c) finance an approved NGO.

CSR is a concept whereby companies act to balance their own economic growth with the sustainable social and environment development of their areas of operation. The effective application date for the CSR is 1 July 2009.

During the year ended 31 March 2011, the Company has made a provision of USD76,800 for CSR.

15. INCOME

During the year under review, the Company received the following income:

	2011	2010
	USD	USD
Interest receivable on fixed deposit account	43	-
Interest on loan	3,837,805	3,484,432
	3,837,848	3,484,432

16. FINANCIAL INSTRUMENTS AND ASOCIATED RISKS

Financial risk management

The Company is exposed to various types of risks, which are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Company is exposed are currency risk, credit risk, interest rate risk, price risk and liquidity risk.

(i) Currency risk

The Company invests in shares denominated in Pounds Sterling (GBP). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the GBP may change in a manner, which has a material effect on the reported values of the Company's assets, which are denominated in GBP.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2011 USD	Financial assets 2010 USD	Financial liabilities 2011 USD	Financial liabilities 2010 USD
Pounds Sterling	20,097,565	18,288,488	-	-
United States dollars	79,381,984	78,898,562	78,304,889	80,363,832
	99,479,549	97,187,050	78,304,889	80,363,832

Foreign currency sensitivity analysis

The table below details the Company's sensitivity to a 10% increase and decrease in the USD against GBP. 10% is used as the sensitivity rate as it represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in currency rates.

HOMEFIELD INTERNATIONAL PVT LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

16. FINANCIAL INSTRUMENTS AND ASOCIATED RISKS (CONTINUED)

Foreign currency sensitivity analysis (continued)

	2011 GBP Impact	2010 GBP Impact
	USD	USD
Other equity	**2,009,757**	1,828,849

A positive number above indicates an increase in other equity whereas a decrease would have opposite impact on other equity. A 10% decrease in the USD against GBP would have a positive impact on other equity. The other equity would increase by USD2,009,757 (2010: USD1,828,849). However, a 10% increase would have same opposite impact on the other equity.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

All investments are financed by funds from the shareholder. The Company's financial assets, except the bank deposits and loans, are non-interest-bearing. As such, the Company is subject to significant risk due to fluctuations in the prevailing levels of the market interest rates. Interest income from bank deposits and loans may fluctuate in amount, in particular due to changes in the interest rates. Interest on loan from subsidiary and related party may fluctuate in amount in particular due to changes in LIBOR rate.

The impact of a 50 BP fluctuation in the interest rates of loan to subsidiary would be an increase/(decrease) in interest on loan and profit for the year of USD415,630 (2010: increase/(decrease) of USD213,996).

The impact of a 50 BP fluctuation in the interest rates of loan to indirectly owned subsidiary would be an increase/(decrease) in interest on loan and profit for the year of USD77,623 (2010: increase/(decrease) of USD 270,758).

(iii) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholder through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt, which includes borrowings, cash and equity attributable to the equity holder of the Company, comprising stated capital, reserves and retained earnings.

16. FINANCIAL INSTRUMENTS AND ASOCIATED RISKS (CONTINUED)

Gearing ratio

The directors review the capital structure of the Company on an annual basis. As part of this review, the cost of capital and the risks associated with the class of capital are considered. The gearing ratio is used as a basis to monitor capital. This ratio is determined as the proportion of net debt to equity.

	2011 USD	2010 USD
Debt (a)	**78,185,000**	80,355,000
Cash at bank	**(161,343)**	(32,817)
Net debt	**78,023,657**	80,322,183
Equity (b)	**112,859,386**	108,544,765
Gearing ratio	**69%**	74%

(a) Debt is defined as redeemable preference shares.

(b) Equity includes stated capital, retained earnings and translation reserves.

Categories of financial instruments:

	2011 USD	2010 USD
Financial assets		
Loan to subsidiary	**83,126,082**	42,799,114
Loan to related party	**15,524,606**	54,151,699
Receivables (including cash and cash equivalents)	**828,861**	236,237
	99,479,549	97,187,050
Financial liabilities		
Other payables	**119,889**	8,832
Preference share application monies	**200,000**	-
Redeemable preference shares	**77,985,000**	80,355,000
	78,304,889	80,363,832

Prepayments of USD2,271 (2010: USD2,334) have not been included in the financial assets.

16. FINANCIAL INSTRUMENTS AND ASOCIATED RISKS (CONTINUED)

(iv) Equity price risks

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

The investment in subsidiary is recorded at cost since these instruments are unquoted and there are no reliable methods of reasonably estimating their fair values. Therefore, these investments will not be taken into consideration in the equity price sensitivity analysis.

(v) Liquidity risk

The Company is not exposed to minimal liquidity risk since adequate funds are available with for meeting the operating expenses.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities.

	2011 Less than 6 months	**2011 More than 1 year USD**	**2011 Total USD**
Non-interest bearing	43,089	-	43,089
Fixed interest rate instruments	-	77,985,000	77,985,000
		200,000	200,000
	43,089	**78,185,000**	**78,028,089**

	2010 Less than 6 months	2010 More than 1 year USD	2010 Total USD
Non-interest bearing	8,832	-	8,832
Fixed interest rate instruments	-	80,355,000	80,355,000
	8,832	80,355,000	80,363,832

(vi) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit exposure is controlled by counterparty limits that are approved and reviewed by the Board of directors on a regular basis.

Financial assets that potentially expose the Company to credit risk consist principally of loan receivable from subsidiary. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's Statement of Financial Position and represents the Company's maximum exposure to credit risk.

17. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2011, the Company transacted with related entities. The nature, volume of transactions and the balances with the entities are as follows:

	2011	2010
	USD	USD
Loan to subsidiary undertaking	**83,126,082**	42,799,114
Interest accrued on loan to subsidiary	**276,249**	202,420
Interest income from subsidiary	**1,762,353**	1,246,660

	2011	2010
	USD	USD
Loan to related party	**15,524,606**	54,151,699
Interest receivable on loan to related party	**391,227**	-
Interest income on loan to related party	**2,075,452**	2,237,772
Redeemable preference shares	**77,985,000**	80,355,000
Preference share application monies	**200,000**	-

Compensation of key management personnel

Three directors of the Company, Messrs Dev Joory, Couldip Basanta Lala and Ms Rubina Toorawa are also directors of International Financial Services Limited ("IFS") and hence deemed to have beneficial interest in the Service Agreement between the Company and IFS.

	2011	2010
	USD	USD
International Financial Services Limited		
Directors' and secretarial fees	**6,038**	6,038
Administration expenses and disbursements	**61,425**	15,705
	67,463	21,743

18. HOLDING ENTITY

The Company regards Tata Chemicals Limited, established in India as its holding entity.

19. NON COMPLIANCE WITH INTERNATIONAL FINANCIAL ACCOUNTING STANDARDS ("IFRS")

International Financial Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements, require a parent to present consolidated financial statement, unless it is exempted from this requirement.

Although the Company does not meet the exemptions available under IAS27, consolidated financial statements have not been prepared as the directors believe that the benefits of presenting consolidated financial statements to be minimal.

19. NON COMPLIANCE WITH INTERNATIONAL FINANCIAL ACCOUNTING STANDARDS ("IFRS") (CONTINUED)

IAS 21, The Effects of Changes in Foreign Exchange Rates, requires a company to recognize any exchange difference arising on the settlement of monetary items or translated monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements in the Statement of Comprehensive Income in the period in which they arise.

The Company has accounted exchange gain arising from loan to subsidiary in equity.

20. CONTINGENT LIABILITY

The Mauritius Revenue Authority has issued a notice of assessment in respect of the year of assessment 2006/2007. As per the notice, the Company has a tax liability of MUR11,680,982. The Company has filed an objection to the notice. As required in respect of filing an objection, the Company had provided a bank guarantee amounting to MUR3,504,298 (equivalent of USD134,000) in favour of the Mauritius Revenue Authority, being 30% of the tax demand.

It is expected that no tax liabilities will arise.